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Note verbale dated 28 November 2016 from the Permanent Mission of Armenia to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of Armenia to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006), and, with reference to the letter dated 1 September 2016 from the Coordinator of the Panel of Experts established pursuant to Security Council resolution 1874 (2009) addressed to the Permanent Representative of Armenia to the United Nations, has the honour to transmit herewith the national implementation report of the Republic of Armenia on the subject matter (see annex).

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Annex to the note verbale dated 28 November 2016 from the Permanent Mission of Armenia to the United Nations addressed to the Chair of the Committee

Report of Armenia on the implementation of Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) and 2270 (2016)

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	*Yes/No*	*Indicate measures (in detail)*	*Additional information*	*Remarks*
Prevent the transfer from or to the Democratic People's Republic of Korea of financial transactions, technical training, advice, services and assistance related to: (a) All arms and related materiel? (b) Nuclear, ballistic missile or other weapon of mass destruction-related items or technology? (c) Any item that could contribute to prohibited programmes or activities or evasion of sanctions? (d) Engagement in the hosting of trainers, advisors, or other officials for the purpose of military-, paramilitary- or police-related training?	Yes (Central Bank)	1. According to article 10 (18) of the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Law of the Republic of Armenia, the Financial Monitoring Centre of the Central Bank of Armenia (FMC) is entitled to publish the lists of non-compliant countries or territories, based on data publicized by international structures. 2. According to the order of the Head of FMC, lists published by international structures will be monitored and the amendments published on a daily basis.	1. The Financial Monitoring Centre notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) and 2270 (2016) and has provided the financial institutions with the list of designated persons and entities 2. The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), in its fifth round of mutual evaluation of anti-money-laundering and counter-terrorism financing measures of the Republic of Armenia,[1] summarized the AML/CFT measures that are in place in Armenia with respect to the level of technical compliance with the Financial Action Task Force (FATF) under recommendation 7 and the level of effectiveness under immediate outcome 11. As a result, it was noted that the Republic of Armenia is partially compliant with recommendation 7 and has achieved a substantial level of effectiveness for immediate outcome 11.	

[1] See http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round5/MONEYVAL(2015)34_5thR_MER_Armenia.pdf.

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	*Yes/No*	*Indicate measures (in detail)*	*Additional information*	*Remarks*
Prohibit the transfer of any items if a designated individual or entity is the originator, intended recipient or facilitator of the item's transfer, in accordance with its national legal procedures, freeze funds, other financial assets and economic resources owned or controlled by designated individuals or entities and ensure that none are made available to benefit designated individuals or entities, entities of the Government of the Democratic People's Republic of Korea (DPRK) or the Worker's Party of Korea, those acting on their behalf or at their direction and entities owned or controlled by them?	Yes (Central Bank)	1. The mechanism for freezing assets, including funds, other assets and economic resources of individuals or entities designated under United Nations sanctions resolutions is set out under article 28 of the AML/CFT Law. 2. According to article 30 of the AML/CFT Law, non-compliance or inadequate compliance with the requirements of the law, including freezing requirements, or the legal statutes adopted on the basis thereof by financial institutions shall result in responsibility measures, as established by the legislation regulating their activities, in the manner provided for under such legislation.	1. The Financial Monitoring Centre notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) and 2270 (2016) and has provided the financial institutions with the list of designated persons and entities.	
Financial measures: (a) Prevent provision of financial services, or transfer of any financial or other assets or resources, including bulk cash and gold and through cash and gold couriers, which could contribute to DPRK prohibited programmes or activities, or to the evasion of sanctions, and exercise enhanced vigilance in this regard? (b) Prohibit DPRK banks from opening and operating new branches, subsidiaries, or representative offices; establishing new joint ventures; or taking an ownership interest in or establishing or maintaining correspondent relationships with banks in a State's jurisdiction or within its territory, unless such	Yes (Central Bank)	1. According to chapter 2.1 of Decision 386-N of 29 July 2005 of the Board of the Central Bank of the Republic of Armenia, in case of a lump sum import or export of currency (except for coins made of precious metals) and treasury bills (hereinafter referred to as monetary instruments), as well as traveller's cheques in excess of the total amount of $10 thousand United States dollars through the customs border of the Customs Union, natural persons shall be obliged to declare in writing the full amount of the monetary instruments and/or traveller's cheques before producing them for customs control, by means of filing a passenger customs declaration.	1. The Financial Monitoring Centre notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) and 2270 (2016) and has provided the financial institutions with the list of designated persons and entities. 2. By Presidential Ordinance, an Inter-Agency Committee on Combating Counterfeit Money, Fraud with Plastic Cards and Other Payment Instruments, Money-Laundering and Terrorism Financing in the Republic of Armenia was established on 21 March 2002 and renamed as the Republic of Armenia Inter-Agency Committee on Combating Money-	

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	*Yes/No*	*Indicate measures (in detail)*	*Additional information*	*Remarks*
transactions have been approved by the Committee in advance? (c) Prohibit financial institutions from opening representative offices or subsidiaries or banking accounts in the DPRK? (d) Prohibit States from having representative offices, subsidiaries or banking accounts in the DPRK, if the State has credible information that provides reasonable grounds to believe that such financial services could contribute to the prohibited programmes or activities, unless the Committee determines on a case-by-case basis that such offices, subsidiaries or accounts are required for the delivery of humanitarian assistance or the activities of diplomatic missions in the DPRK pursuant to the Vienna Convention on Diplomatic Relations or the activities of the United Nations or its specialized agencies or related organizations, or for any other purposes consistent with the resolutions? (e) No provision of public and private financial support from within their territories or by persons or entities subject to their jurisdiction for trade with DPRK that could contribute to the DPRK nuclear or ballistic missile programmes or other activities prohibited by the resolutions?		2. According to article 156.1 of the Customs Code, customs authorities shall suspend transportation of currency and/or bearer securities based on information received for anti-money-laundering or counter-terrorism financing purposes from the authorized body as defined under the Law on Combating Money-Laundering and Terrorism Financing or from law enforcement agencies, in accordance with legislation or with international treaties of the Republic of Armenia, and shall draw up a report in two copies in the manner prescribed by legislation or by international treaties of the Republic of Armenia. One copy of the report shall be provided to the person transporting currency and/or bearer securities, and the other copy shall be maintained by the customs authority. Immediately upon suspending transportation of currency and/or bearer securities, customs authorities shall promptly notify the authorized body or the law enforcement agency specified under clause 1 of the article, which had submitted the relevant information. 3. According to point 7 of article 13 of the AML/CFT Law, within 3 business days after being notified that the customs authority suspended transportation of currency and/or bearer securities through the customs border, the authorized body shall be obligated to advice the customs	Laundering, Terrorism Financing and Financing of Proliferation of Weapons of Mass Destruction. The Committee's objectives are: (a) Coordinating actions aimed at the identification and assessment of money-laundering, terrorism financing and proliferation financing risks in Armenia, as well as ensuring that the findings of such assessments are up to date; (b) Developing a unified State policy that reflects the findings of the assessment of money-laundering, terrorism financing and proliferation financing risks in Armenia; (c) Coordinating domestic and international cooperation in the field of combating money-laundering, terrorism financing and proliferation financing; (d) Implementing other objectives that are aimed at the enhancement of the effective system in Armenia for combating money-laundering, terrorism financing and proliferation financing and do not contradict to the provisions of the Presidential Ordinance on the Establishment of a Committee of 21 March 2002.	

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	*Yes/No*	*Indicate measures (in detail)*	*Additional information*	*Remarks*
		authority on lifting the suspension, or to submit a notification to law enforcement agencies. In case of submitting a notification, the authorized body shall provide information substantiating the potential link between the suspended currency and/or bearer securities and money-laundering or terrorism financing. The authorized body shall without delay advise the customs authority on submitting the notification. In addition, according to point 1 of article 28 of the AML/CFT Law, the property owned or controlled, directly or indirectly, by terrorism-related persons included in the lists published by or in accordance with Security Council resolutions, as well as in the lists specified under part 2 of the Article shall be subject to freezing by customs authorities and reporting entities without delay and without prior notice to the persons involved. The State bodies or persons, which have legally defined powers to restrict (arrest, block, freeze, suspend) the possession, use and/or disposal of the property stipulated in this part, shall exercise their power in the manner established by the law whenever they disclose such property.		

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to:	*Yes/No*	*Indicate measures (in detail)*	*Additional information*	*Remarks*
		4. The procedure of licensing for banking activity, including the registration of branches and representative offices of foreign banks is regulated by the Law on Banks and Banking, as well as by Regulation 1 on Procedures for Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks. Articles 27 and 28 of the Law on Banks and Banking specify, inter alia, the documents necessary to submit for the registration of a branch or a representative office of a foreign bank, the registration procedure, as well as grounds for waiving applications for registration. Pursuant to Regulation 1, for the prior approval of the issuance of the banking licence, documents to be submitted to the Central Bank by a branch of a foreign bank include a statement that the home country of the foreign bank is considered to be a cooperative country in terms of combating money-laundering and terrorism financing, and that no statement has been published for the given country by the FATF and/or other relevant international body about the non-compliance of the system of the country with the AML/CFT Law.		
		5. The definition of freezing, as stated in clause 37, part 1, article 3 of the AML/CFT Law, includes a prohibition on the establishment of any		

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to.	*Yes/No*	*Indicate measures (in detail)*	*Additional information*	*Remarks*
		business relationship, including the provision of financial services, or the conduct of occasional transactions with designated persons and entities. Accordingly, reporting entities are prohibited from establishing financial relationships with DPRK banks and making funds or other assets available to or for the benefit of designated entities.		